



**STATE BOARD OF EQUALIZATION**

450 N STREET, SACRAMENTO, CALIFORNIA  
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0080  
(916) 322-2270 • FAX (916) 324-3984  
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Third District, Rolling Hills Estates

JUDY CHU, Ph.D.  
Fourth District, Los Angeles

JOHN CHIANG  
State Controller

RAMON J. HIRSIG  
Executive Director

**STATE BOARD OF EQUALIZATION MEETING  
450 N Street, Room 121, Sacramento  
May 28-29, 2008  
NOTICE AND AGENDA  
Meeting Agenda (as of 5/23/08, 11:43 a.m.)**

**Agenda Changes**

**Webcast Audio on Wednesday, May 28, 2008**

**Wednesday, May 28, 2008**

**9:30 a.m. Board Committee Meeting Convenes\*  
Board Meeting Convenes upon Adjournment of the Board Committee Meetings\*\***

Agenda items occur in the order in which they appear on the agenda. When circumstances warrant, the Board's Chair, Dr. Chu, may modify the order of the items on the agenda. Items may be postponed to a subsequent day; however, items will not be moved to an earlier day.

**Board Committee Meetings\***

**Property Tax Committee+ ..... Ms. Steel, Committee Chair**

1. Discussion of Biopharmaceutical Industry Business Property Assessment Practice Guidelines

**Customer Services and Administrative**

**Efficiency Committee+ ..... Mr. Leonard, Committee Chair**

1. Update regarding the Board of Equalization's release of security deposits and a revised action plan for the security program
2. Update on Citation Process for the Statewide Compliance and Outreach Program (SCOP) Budget Change Proposal

**Board Meeting\*\***

**Oral Hearings**

There are no items for these matters:

- A. Homeowner and Renter Property Tax Assistance Hearings
- B. Corporate Franchise and Personal Income Tax Hearings

**C. Sales and Use Tax Appeals Hearings**

(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

- C1. Janice Diana Samsing and Mildred Kaunas, 356928 (UT)  
For Petitioner: Mildred Kaunas, Taxpayer  
For Department: NaTasha Ralston, Tax Counsel
- C2. Foster Poultry Farms, 77405, 265656, 304306 (KHE)  
For Petitioner/Claimant: Brian Grant, Taxpayer  
Rich Carlson, Representative  
For Department: Bradley Heller, Tax Counsel
- C3. Matt Lababedy, 89002316680 (KH)  
For Petitioner: Matt Lababedy, Taxpayer  
Don McKaughan, CPA  
Bruce Locke, Attorney  
For Department: Kevin Hanks, Hearing Representative

There are no items for these matters:

- D. Special Taxes Appeals Hearings  
E. Property Tax Appeals Hearings

**F. Public Hearings**

These items are scheduled for the afternoon session.

**Chief Counsel Matters****J. Rulemaking**

These items are scheduled for Thursday, May 29, 2008.

**K. Business Taxes**

There are no items for this matter.

**L. Property Taxes**

These items are scheduled for Thursday, May 29, 2008.

**M. Other Chief Counsel Matters**

**M1. Adoption of Formal and Memorandum Opinions+.....Mr. Heller**

Memorandum regarding the adoption of Formal and Memorandum  
Opinions and the publication of Dissenting and Concurring Opinions

**G. Tax Program Nonappearance Matters – Consent**(Contribution Disclosure forms not required pursuant to Gov. Code § 15626.)**G1. Legal Appeals Matters .....Mr. Levine**

- Hearing Notices Sent – No Response
  1. Synpep Corporation, 329381 (CH)
  - 2a. Jamal A. Mahgoub, 356195 (CH)
  - 2b. AMT Solutions, Inc., 356197, 392072 (CH)
  3. Kenneth Darryl Beecham, 393632, (KH)
  4. Weston James Coolidge, 386899 (CH)
  5. Simmons Duplicating Supply Company, Inc., 347724 (OH)
- Petition for Release of Seized Property
  6. Hany M. Abuelrous, 433967 (ET)

**G2. Franchise and Income Tax Matters .....Ms. Kelly**

- Decision
  1. Jack Larson, 329112

**G3. Homeowner and Renter Property Tax****Assistance Matters .....Ms. Kelly**

- Decision
  1. Gloria M. Williams, 387273

**G4. Sales and Use Taxes Matters ..... Ms. Henry**

- Redeterminations
  1. Nissan North America, Inc., 272698 (OHA)
  2. Panasonic Corporation of North America, 422116 (OHB)
  3. 4 S Casino Party Suppliers, LLC, 299497 (BH)
  4. Specialty Salvage Limited, 283580 (KH)
  5. Union Pacific Railroad Company, 326246 (OHA)
- Denial of Claim for Refund
  6. Govstor, LLC, 417205 (JHF)

**G5. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds ..... Ms. Henry**

- Refunds
  1. Target Corporation, 360870 (OHA)
  2. Lighthouse Worldwide Solutions, Inc., 373666 (CH)
  3. Birchwood Cabinets of California, Inc., 389873 (KH)
  4. Pentax of America, Inc., 403453 (OHB)
  5. Daimler Chrysler Corporation, 436898 (CHA)
  6. Mercedes-Benz USA, LLC, 426403 (KH)
  7. Qualcomm, Inc., 404369 (UT)
  8. KII Acquisition Company, 342751 (FH)
  9. Vertis, Inc., 396782 (OHB)
  10. Consolidated Electrical Distributors, Inc., 287507 (AC)
  11. TSK America, Inc., 417773 (OHA)
  12. Freight Systems, Inc., 395248 (OHA)
  13. Watsonville Hospital Corporation, 381029 (GHC)

- G6. Special Taxes Matters  
There are no items for this matter.

**G7. Special Taxes Matters – Credits, Cancellations, and Refunds..... Mr. Gau**

- Refunds
  - 1a. Equiva Trading Company, 254407, (MT) – “CF”
  - 1b. Equiva Trading Company, 208034, (MT) – “CF”
  - 2. Nella Oil Company, LLC, 345962 (MT)
  - 3. Midland National Life Insurance Company, 427043 (ET) – “CF”

There are no items for these matters:

- G8 Property Tax Matters  
G9 Cigarette License Fee Matters  
G10 Legal Appeals Property Tax Matters

**H. Tax Program Nonappearance Matters – Adjudicatory**  
(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

**H1. Legal Appeals Matters .....Mr. Levine**

- Hearing Notices Sent – No Response
  - 1. Rajinder Singh Garcha, 30060 (KH)
- Cases Heard But Not Decided
  - 2a. Don Ricardo’s Restaurant, Inc., 42025 (AP)
  - 2b. Padrino’s, Inc., 42029 (AC)
  - 3. John Richard Dudley, 253691 (KH)

**H2. Franchise and Income Tax Matters.....Ms. Kelly**

- Opinion
  - 1. Affiliated Funding Corporation, 317945
- Decisions
  - 2. Bruce H. Erfer and Lynn N. Erfer, 294534
  - 3a. Stanley W. Gribble, 354879
  - 3b. SWG Management Company, 354880
  - 4. Ronald C. Nelson and Marie J. Nelson, 329716
  - 5. Teresa Rothman, 380556
  - 6. Catherine Wimby, 354090
  - 7. Constance Zorn, 317272
- Opinion on Petition for Rehearing
  - 8. Larry Geisel and Rhoda Geisel, 358724
- Matter for Board Consideration
  - 9. Daniel V, Inc., 342609

**H3. Homeowner and Renter Property Tax****Assistance Matters.....Ms. Kelly**

- Decision
  1. Savann Nhem, 379885
- Petition for Rehearing
  2. Sajjad Riyaz, 349075

**H4. Sales and Use Taxes Matters ..... Ms. Henry**

- Relief of Penalty/Interest
  1. Messer Griesheim Industries, Inc., 435576 (OHB)
  2. PCS Leasing Co, L.P., 431274 (OHA)

**H5. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds..... Ms. Henry**

- Refund
  1. Owens & Minor Distribution, Inc., 306485 (OHB)

**H6. Special Taxes Matters**

This matter is scheduled for Thursday, May 29, 2008.

There are no items for these matters:

H7 Special Taxes Matters – Credits, Cancellations, and Refunds

H8 Property Tax Matters

H9 Cigarette License Fee Matters

H10 Legal Appeals Property Tax Matters

**I. Tax Program Nonappearance Matters**

(Contribution Disclosure forms not required pursuant to Gov. Code § 15626.)

**I1. Property Taxes Matters.....Mr. Gau**

- Audits
  1. CallTower, Inc. (7960) – “CF”
  2. IP Networks, Inc. (7995) – “CF”

**I2. Offers-in-Compromise Recommendations .....Ms. Ogrod/Ms. Fong**

1. Sharp Image Electronics, Inc.
2. Fassel Mahmoud Elder
3. Management Insultants L.P.
4. James Steven Slack
5. Fadel Mohammed Elwalani and Marina Elwalani
6. Angie Wilder

**1:30 p.m. Board Meeting Reconvenes\*\***

**Special Presentations**

Superior Accomplishment Awards Program

**C. Sales and Use Tax Appeals Hearing**

(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

C4a. Norman P. Shockley, Jr., 306953 (GH)

C4b. Acclaim Technology, Inc., 341204 (GH)

For Petitioner/Claimant: Norman Shockley, Jr., Taxpayer

For Department: Cary Huxsoll, Tax Counsel

**F. Public Hearing**

F1. Proposed amendments to Sales and Use Tax Regulation 1807, *Process for Reviewing Local Tax Reallocation Inquiries*; and, adoption of Regulation 1828, *Process for Reviewing Transactions and Use Tax Distribution Inquiries*+.....Mr. Levine

Regulations 1807, *Process of Reviewing Local Tax Reallocation Inquiries*, and 1828, *Process for Reviewing Transactions and Use Tax Distributions*, are proposed to be amended to institute regulatory changes to the processes for reviewing petitions for local tax reallocations and transition and use tax distributions.

**Administrative Session**

The following items are scheduled for Thursday, May 29, 2008.

N. Consent Agenda

O. Adoption of Board Committee Reports and Approval of Committee Actions

P. Other Administrative Matters

**Q. Closed Session**

These items are scheduled for Thursday, May 29, 2008.

**Adjourn** - The meeting will reconvene on Thursday, May 29, 2008, at 9:30 a.m.

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The hearing location is accessible to people with disabilities. Please contact Claudia Madrigal at (916) 324-8261, or e-mail [Claudia.Madrigal@boe.ca.gov](mailto:Claudia.Madrigal@boe.ca.gov) if you require special assistance.

Diane G. Olson, Chief  
Board Proceedings Division

- \* Public comment on any committee agenda item will be accepted at the beginning of the committee meeting.
- \*\* Public comment on any agenda item, other than a Closed Session item or an item which has already been considered by a Board Committee, will be accepted at that meeting.
- + Material is available for this Item.
- ++ Material will be available at a later date.
- "CF" Constitutional Function – The Deputy State Controller may not participate in this matter under Government Code section 7.9.



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**Board Meeting\*\***

**Board Member Annual Photograph**

**Special Presentation ..... Dr. Chu**

- Presentation of Retirement Resolution  
Joseph D. Young

**State Assessed Properties Value Setting**

**Property Tax Matter++ - "CF" ..... Mr. Siu**

Board sets unitary values of state-assessed properties annually, on or before May 31. The Board is required to value and assess all the taxable property within the state that is to be assessed by it, pursuant to section 19 of Article XIII of the Constitution and any legislative authorization there under.

**H. Tax Program Nonappearance Matters – Adjudicatory**  
(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

**H6 Special Taxes Matters ..... Mr. Gau**

- Denial of Relief of Penalty
  1. Republic Indemnity Company of California, 298649 (ET) – "CF"



## Oral Hearing

### C. Sales and Use Tax Appeals Hearing

(Contribution Disclosure forms required pursuant to Gov. Code § 15626.)

#### C5. Princess House, Inc., 380967 (OHB)

For Petitioner:	Daniel L. Murphy, Taxpayer Michael R. Carchedi, Taxpayer Stacey Matthew, CPA Scot Grierson, CPA Rex Halverson, Representative Andrew Wilson, CPA
For Department:	Cary Huxsoll, Tax Counsel

## Chief Counsel Matters

### J. Rulemaking

#### J1. Proposed Amendments to *Board of Equalization Rules for Tax Appeals* (*Cal. Code Regs., tit. 18, § 5000 et seq.*) + ..... Ms. Scott

Proposal to adopt Section 100 changes to *Rules for Tax Appeals* regulations, which correct grammatical errors in specified sections.

### L. Property Taxes

#### L1. State Assessee Property Tax Appeals Procedures + ..... Mr. Ambrose

Alternative proposals for distribution of unsolicited late materials and revision of hearing summaries

## Administrative Session

### N. Consent Agenda ..... Ms. Olson

#### N1. Retirement Resolutions +

- Maria Socorro L. Concepcion
- Thomas A. Gonzales
- Sharon A. Hamilton
- Galen G. Hardin
- Loretta R. Lopez
- Mabel Mar
- Marco W. Morales
- Larry D. Rackley
- Spencer B. Stallings, Jr.
- Patty Taylor
- Victoria T. Winter

**N2. Approval of Board Meeting Minutes+**

- March 18-19, 2008
- April 8, 2008

**N3. Adoption of 4-R Act Equalization Ratio for 2008-09+****O. Adoption of Board Committee Reports and Approval of Committee Actions**

O1. Property Tax Committee

O2. Customer Services and Administrative Efficiency Committee

**P. Other Administrative Matters****P1. Executive Director's Report .....Mr. Hirsig+**

- a. Headquarters Building Remediation Update
- b. Headquarters Planning Effort Update
- c. Report on time extensions to Butte, Kern, Mariposa, Monterey, Placer, Santa Cruz and Tulare Counties to complete and submit 2008-09 Local Assessment Roll, pursuant to Revenue and Taxation Code section 155+
- d. Report on suggestions submitted at 3/18/08 Business Taxpayers' Bill of Rights Hearings – refund claims filed by hospitals+ .....Mr. Gilman

**P2. Chief Counsel Report**

There are no items for this matter.

**P3. Deputy Director's Report****a. Sales and Use Tax..... Ms. Henry****1. Enhancing BOE Collections+**

- b. Property and Special Taxes  
There are no items for this matter.

**c. Administration..... Ms. Houser****1. Interagency Agreement Contracts Over \$1 Million+**

- California Department of Toxic Substances Control+
- California Department of Motor Vehicles+
- California Department of Technology Services+
- Bank of America+
- Hygiene Technologies International, Inc.+

**2. Purchases Over \$1 Million**

- Dell Marketing+

**3. Update on Proposed Fiscal Year 2008-2009 Budget++**

**Announcement of Closed Session ..... Ms. Olson****Q. Closed Session**

- Q1. Discussion and approval of staff recommendations regarding settlement cases (Rev. & Tax. Code §§ 6901, 7093.5, 30459.1 and 50156.11)
- Q2. Pending litigation: *BARNESANDNOBLE.COM LLC v. State Board of Equalization*, San Francisco County Superior Court, Case Number 456465; First District Court of Appeal, Case Number A120834 (Gov. Code § 11126(e))
- Q3. Pending litigation: *BARNESANDNOBLE.COM LLC v. Betty T. Yee, Bill Leonard, Michelle Steel, Judy Chu, John Chiang, Wayne Hopkins, Joseph D. Young*, United States District Court, Eastern District of California, Case Number 2:07-cv-02776-WBS-KJM (Gov. Code § 11126(e))
- Q4. Pending litigation: *Nortel Networks Inc. v. State Board of Equalization*, Los Angeles County Superior Court, Case Number BC341568L (Gov. Code § 11126(e))
- Q5. Pending litigation: Status of *Computer Service Tax Cases*--San Francisco County Judicial Council Coordination Proceeding No. 4442; *Mohan et al. v. Dell, Inc. et al.*; *Dell Inc. et al. v. California State Board of Equalization*; San Francisco County Superior Court Case No. CGC 03 419192 (Gov. Code § 11126(e))
- Q6. Pending litigation: *Schroeder, et al. v. State Board of Equalization, et al.* Superior Court of California for Sacramento County, Case Number 34-2008-00004467-CU-MT-GDS (Gov. Code § 11126(e)(2)(B)(i))
- Q7. Discussion and action on personnel matters (Gov. Code § 11126(a))

**Announcement of Open Session ..... Ms. Olson****Adjourn**

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